

Minutes of the meeting of the Redevelopment Agency of Murray City held Tuesday, August 16, 2005 in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Attendance:

Jim Brass  
Pat Griffiths  
Krista Dunn  
Jeff Dredge  
Robbie Robertson

Frank Nakamura  
Jan Wells  
Keith Snarr  
Lloyd Naylor  
Tim Leffel

Karen Wikstrom  
Alice Steiner  
Thomas Saul  
Gary Snyder  
Larry Becknell

Chairman Jim Brass called the meeting to order at 5:00 pm.

1. **Approval of minutes for June 14, 2005 and July 12, 2005**

Approval of minutes was deferred.

2. **Discussion and consideration of Application for Waiver of 20% Housing Funds from Olene Walker Housing Trust Fund for the Fireclay Redevelopment Project Area.**

Redevelopment Agency Director Keith Snarr explained that at the August 2, 2005 meeting of the Fireclay Taxing Entity Committee, Larry Newton representing the Utah office Education, asked if the Redevelopment Agency had considered requesting a waiver of the 20% portion of the tax increment funds which are set aside for housing. His rationale was that if the RDA received this waiver that the tax increment to the RDA could be paid earlier, saving few years in the process. This would allow full property tax distribution to be returned to the taxing entities as soon as possible.

In response to Mr. Newton's query, Keith Snarr met with Richard Walker, director of the Olene Walker Housing Trust Fund. Mr. Walker noted that only three waivers have ever been granted. He furnished an application for the waiver which requires the applying municipality to explain their rationale as to how they provide for affordable housing needs and why a waiver for affordable housing funds should be granted.

Mr. Snarr stated that Murray City has a good measure of affordable housing and that seeking a waiver for the 20% housing funds would be a decision of the Redevelopment Agency Board.

Jim Brass recognized if we take out some money we could shorten the timeframe of the tax increment collection period and reduce the project area budget by approximately \$5 million.

Krista Dunn responded the Fireclay Redevelopment Budget is pretty thin. She was concerned that shortening the term may not be feasible in this project area.

Jim Brass asked if we go for the waiver do we have to go back to the Taxing Entity Committee and amend the budget? He stated he would like to hear from Lloyd Naylor representing the Murray School Board regarding this issue.

Krista Dunn again asked if we can afford to do this. We need to be confident that we can be successful with development in this Redevelopment Project Area.

Jim Brass replied that he wants this RDA to be successful and to shorten the term if possible.

Krista Dunn asked if the Board all agreed about a request for a partial waiver. If we keep some money for affordable housing we could offer low or no interest loans to improve existing houses in Murray. For example if we were to set aside \$1.6 million for housing loans, over time we might be able to keep a revolving loan housing program going.

Redevelopment Consultant Alice Steiner offered her advice on the subject. She stated that if the 20% housing funds are used outside the project area it must be for low to moderate income housing. However if the housing funding stays within the project area, it can be used for any housing or for infrastructure that could benefit housing. She stated if you are simply reducing the budget, then you do not need to reopen the budget.

Lloyd Naylor of the Murray School Board said that if 20 years is needed for the project let's go ahead. But, by the nature of the redevelopment there is impact to the School District. When the Taxing Entity Committee discussed shortening the period of the RDA, we were very interested. We want it cut back if feasible. We will do what we need to do, and do what we can to support this project to make it successful.

Frank Nakamura asked Alice Steiner to respond to two questions. What is the nexus? What infrastructure is related to housing?

Alice Steiner responded that infrastructure outside of the project area is ineligible. She said you will need to put the housing funds into a separate account and then ask the questions if the infrastructure is directly related to housing. If you need to go outside the project area for improvements, approval will be needed from the Taxing Entity Committee. She said to be safe, call the taxing entity committee together and explain that we need to connect this area to the sewer (300 West), and ask them if that is ok.

Pat Griffiths said that after hearing what we need it may be wiser not to pursue the waiver.

Karen Wikstrom explained that right now you have a budget that has been approved by the Taxing Entity Committee with 20% for housing and 5% for project administration. The balance of the Fireclay Redevelopment Project Area Budget funding is primarily for infrastructure. She recommended taking the budget forward; stating that it is based on

sound projections. She noted that the time to become specific on these costs is when the infrastructure improvement projects are ready to go out for bid.

Pat Griffiths stated again that it is her opinion that the Redevelopment Agency should not seek this waiver.

Chairman Brass called for a motion on this item but no motion was made. Staff was directed to move forward with the budget as approved by the Taxing Entity Committee and refrain from requesting any waiver of the 20% housing funds.

The meeting was adjourned.